

Legislative Fiscal Division

Legislative Budget Options

Section Name: Natural Resources & Transportation

Time : Low

Committee: EQC

Agency Name: Department Of Environmental Quality

Status : On-Going

FTE Impact : N

Program Name: Permitting & Compliance Div.

Mode : Research

MCA : 75-6-108

Option	General Fund	State Special	Federal Special
Support by Service Recipients/Eliminate GF Subsidy	\$1,200,000	(\$1,200,000)	

Description of Option: Increase Public Water Supply Connection Fees to Cover Oversight Costs

Criteria Name: Funding change over time to GF from other source

Summary of Issue

The public water supply connection fee has been \$2.00 per connection per year since 1993. This connection fee is to implement the public drinking water supply program. Over time, the program has accessed other state special revenue sources to cover the costs to oversee the drinking water program. During the 2009 legislature \$1.2 million of general fund was approved to fund this program at a level acceptable to the US EPA.

How the Fund Balance Would be Impacted

If the public water supply connection fee was raised, general fund expenditures could be displaced. For every \$1.00 the fee is raised, \$400,000 is collected. The fee would need to be increased by \$3.00 to cover the general fund budgeted amount.

Further Work Required

Minimal. Some work with DEQ would be necessary to calculate the appropriate increase in the fees.

Other Factors

This fee is set in statute, 75-6-108, MCA would need to be changed.

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Legislative Budget Options

Section Name: Natural Resources & Transportation

Time : Medium

Committee: EQC

Agency Name: Department Of Environmental Quality

Status : On-Going

FTE Impact : Y

Program Name: Permitting & Compliance Div.

Mode : Research

MCA : various

Option	General Fund	State Special	Federal Special
Program Eliminations/Modifications	\$2,000,000	(\$15,000,000)	\$0

Description of Option: Return Primacy to the US EPA

Criteria Name: Service recipients have other options to get the service or one similar

Summary of Issue

The state has received primacy for environmental programs to operate on behalf of the federal EPA. This includes air quality, water quality, water protection, hazardous waste, and asbestos programs. Returning primacy would require the EPA to take back the lead on these activities.

How the Fund Balance Would be Impacted

General fund appropriated to subsidize these activities would no longer be needed. In addition, the state would no longer collect application fees, annual permit fees, and the like.

Further Work Required

As federal funds have declined, some of these programs have received general fund appropriations to support the activity. The return of primacy would result in general fund savings for these activities and for overhead charged within the department. Staff would need to examine the expenditures related to the operation of these activities, determine what it would take to return primacy and examine the potential change for any consequences to regulated industries.

Other Factors

If primacy was returned, guidance regarding these permit programs may need to be removed from statute.